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ANNUAL REPORT OF THE DAIRY BRANCH
Fiscal Year 1950

When the fiscal year 1950 began, a rather complete program for supporting the price of manufacturing milk and butterfat was in force. By the middle of the year some stocks had accumulated -- the first postwar accumulation that presented any problems of disposal.

During the second half of the year stocks continued to accumulate, but by the end of the year the international situation was such that there was some doubt as to whether the best policy would be to conserve the stocks or arrange for their disposition. The general policy followed was to encourage the utilization of the older stocks, while conserving the more recently acquired stocks for any emergency that might arise.

Prices received by farmers for milk and butterfat were relatively low during the year. The average price received by farmers for milk sold in June 1950 was 27 percent below that of June 1948 -- the butterfat price was down 28 percent. These lower prices not only made price support for manufacturing milk and butterfat necessary, but also greatly increased dairy farmers' interest in milk marketing orders.

I. Fluid Milk Marketing Orders

The fiscal year 1950 marked a substantial expansion of the Federal order program, and at the end of the year the expansion was continuing. On June 30, there were 37 orders in effect as compared with 30 orders on the same date last year. During the year orders were made effective in Knoxville, Tennessee (7/16/49); Rockford-Freeport, Illinois (8/1/49); Lima, Ohio (8/1/49); Springfield, Massachusetts (12/1/49); Worcester, Massachusetts (12/1/49); Oklahoma City, Oklahoma (5/1/50); and Tulsa, Oklahoma (5/1/50). In addition, hearings were held on new orders (although the orders themselves had not been issued by the end of the fiscal year) for Suburban St. Louis; Springfield, Missouri; Akron, Ohio; Detroit, Michigan; Memphis, Tennessee; Milwaukee, Wisconsin; and Southern Illinois. Final action on these hearings probably will be effected early in fiscal 1951.

During the fiscal year approximately 152,111 producers delivering about 17.6 billion pounds of milk valued at about 701.5 million dollars were subject to such orders. These data, by markets, are shown in Table 1.

A large number of organizations inquired into the possibility of marketing orders for particular markets. Among the markets concerning which inquiries were made during the year were the following: Cedar Rapids, Iowa; Southeastern Kansas; Dallas, Texas; Fort Worth, Texas; Seattle, Washington; Northern New Jersey; Albuquerque-Las Vegas-Santa Fe, New Mexico; Bogalusa, Louisiana; St. Louis County, Minnesota; Muskogee, Oklahoma; Youngstown, Ohio; Canton, Ohio; Des Moines and Burlington, Iowa; Laurel and Hattiesburg, Mississippi; and certain areas in North Carolina.

Table 1. - Average number of producers, annual volume of pooled milk, and annual total value of pooled milk at basic butterfat test, in marketing areas regulated by Federal milk orders, July 1, 1949 to June 30, 1950

Market	:Basic :butterfat: :test	: Number of : producers	: Volume of : pooled milk	:Value of :pooled milk :at basic test
	: Percent	: Number	: 1,000 lbs.	: Dollars
Boston, Mass., 201-210 mile zone	: 3.7	: 13,761	: 1,467,194	: 60,018,416
Chicago, Ill., 70 mile zone	: 3.5	: 21,352	: 3,469,824	: 120,311,631
Cincinnati, Ohio	: 4.0	: 5,637	: 373,522	: 12,965,268
Cleveland, Ohio	: 3.5	: 7,490	: 680,647	: 25,539,065
Clinton, Iowa	: 3.5	: 126	: 15,365	: 565,075
Columbus, Ohio	: 3.5	: 2,356	: 210,102	: 7,976,927
Dayton-Springfield, Ohio, Grade A	: 3.5	: 2,515	: 226,712	: 8,516,808
Dubuque, Iowa	: 3.5	: 216	: 31,179	: 1,031,587
Duluth-Superior, Minn.-Wis.	: 4.0	: 1,385	: 106,545	: 4,229,948
Fall River, Mass., 20 mile zone	: 3.7	: 245	: 39,942	: 2,323,448
Fort Wayne, Ind.	: 4.0	: 1,276	: 99,028	: 3,666,078
Kansas City, Mo.-Kans.	: 3.8	: 2,602	: 277,547	: 11,339,8
Knoxville, Tenn. <u>2/1/</u>	: 4.0	: 577	: 72,631	: 3,476,700
Lima, Ohio <u>3/1/</u>	: 3.5	: 315	: 26,336	: 1,012,052
Louisville, Ky.	: 3.8	: 2,067	: 235,012	: 9,381,385
Lowell-Lawrence, Mass., 20 mile zone	: 3.7	: 1,030	: 116,602	: 5,797,985
Minneapolis-St. Paul, Minn.	: 3.5	: 5,679	: 54,238 <u>4/</u>	: 21,508,955 <u>4/</u>
Nashville, Tenn.	: 4.0	: 835	: 114,879	: 5,113,055
New Orleans, La., 61-70 mile zone	: 4.0	: 2,756	: 230,880	: 11,685,884
New York, N. Y., 201-210 mile zone	: 3.5	: 49,404	: 6,888,981	: 262,158,663
Oklahoma City, Okla. <u>5/1/</u>	: 4.0	: 1,206	: 21,368	: 870,895
Omaha-Council Bluffs, Nebr.-Iowa	: 3.8	: 2,150	: 130,726	: 5,398,080
Paducah, Ky.	: 4.0	: 274	: 20,574	: 867,958
Philadelphia, Pa.	: 4.0	: 9,057	: 1,091,280	: 52,892,501
Quad Cities, Ill.-Iowa, Grade A	: 3.5	: 719	: 93,124	: 3,405,456
Quad Cities, Ill.-Iowa, Non-Grade A	: 3.5	: 711	: 35,030	: 946,173
Rockford-Freeport, Ill. <u>6/1/</u>	: 3.5	: 448	: 39,464	: 1,372,973
St. Louis, Mo.	: 3.5	: 4,038	: 445,205	: 18,024,20
Sioux City, Iowa	: 3.5	: 539	: 35,935	: 1,389,825
South Bend-LaPorte, Ind.	: 3.5	: 818	: 86,558	: 3,108,592
Springfield, Mass. <u>7/1/</u>	: 3.7	: 1,461	: 89,805	: 4,338,123
Suburban Chicago, Ill., 70 mile zone	: 3.5	: 2,579	: 281,920	: 10,217,790
Toledo, Ohio	: 3.5	: 2,086	: 170,620	: 6,281,699
Topeka, Kans.	: 3.8	: 378	: 39,032	: 1,535,108
Tri-State: (Ky., Ohio, W. Va.)	:	:	:	:
Huntington District Plants	: 3.5	: 819	: 61,399	: 2,497,149
Other Plants	: 3.5	: 862	: 67,629	: 2,635,894
Tulsa, Okla. <u>5/1/</u>	: 4.0	: 732	: 19,727	: 810,909
Wichita, Kans.	: 3.8	: 711	: 74,712	: 3,205,764
Worcester, Mass. <u>7/1/</u>	: 3.7	: 932	: 62,349	: 3,081,700
	:	:	:	:
Total, 37 markets	:	: 152,144	: 17,603,623	: 701,499,539

1/ Data are only for period during which order is effective.

2/ Order effective July 16; pricing provisions effective August 1.

3/ Order effective August 1. 4/ 11-month total.

5/ Order effective May 1. 6/ Order effective August 1; pricing provisions effective September 1. 7/ Order effective December 1; pricing provisions effective January 1.

Compiled from monthly reports of the market administrators.

A total of 39 public hearings (including one reopened hearing) were held to consider new orders or amendments to existing orders. As a result of these hearings or of hearings held the previous year, 24 amending orders were issued during the year. Eight orders were issued to suspend portions of orders.

Three public meetings were called by market administrators pursuant to requirements of the Administrative Procedures Act to consider proposed changes in their rules and regulations under various milk orders. Three amendments to the market administrators' rules and regulations were issued during the year.

Sixteen petitions were filed by handlers for review of order provisions or market administrator regulations under section 15(a) of the Act, and 21 decisions or dismissals with respect to petitions filed during the year or pending from former years were issued by the Judicial Officer. On June 30, 1950, action was pending on 31 petitions. The following important matter was decided by the Judicial Officer on October 3, 1949:

In the Matter of Babylon Milk and Cream Company, AMA Docket 27-80, New York Order. An order provision requiring payment into the pool by a handler who does not receive any priced milk under the order but who distributes milk or products therefrom in certain designated uses into the marketing area, frequently referred to as a "compensatory payment provision" is upheld in this decision. (The matter is now pending in the District Court for the Eastern District of New York.)

Eleven court cases were filed by handlers to appeal 15(A) decisions or by the Government to enforce order provisions, and action was completed on seventeen cases commenced during the year or carried over from former years. On June 30, 1950, action was pending before the courts in 15 cases. Decisions were handed down in the following important cases:

Willow Farm Products et al v. Brannan, 49 C 759, Chicago Order. On February 3, 1950, a decision adverse to the Government was handed down in the U. S. District Court for the Northern District of Illinois, Eastern Division, and the case was remanded to the Secretary. The principal question involved was whether the company submitted satisfactory records to establish the utilization of milk in classes other than Class I.

Charles W. Allen dba Allen Milk Co. et al v. Secretary, C 1885, Columbus Order. On May 25, 1950, a District Court decision was handed down in favor of the Government in this case, dealing with the jurisdiction of the Federal Government to regulate milk in the Columbus market. None of the market's receipts come from out-of-state sources and but a small amount of regulated milk is disposed of outside the State.

Joseph Balazs dba Balazs Dairy Products et al v. Anderson, C 25208, Cleveland order. On September 29, 1949, a District Court opinion was handed down, holding that Order No. 75 is a valid exercise of authority

under a valid statute and that the order of the Judicial Officer so finding is in accordance with law. The case is now on appeal to the Circuit Court.

Seventeen applications to participate in order activities under various milk orders were received from cooperative associations, and in three instances a market administrator suspended payments to cooperatives. With respect to these applications and suspensions, or those pending from former years, the Secretary issued 26 determinations, and 8 applications were withdrawn. On June 30, action was pending on (1) two applications for voting purposes, (2) three applications for qualification under the terms of milk orders, and (3) three cases in which a market administrator suspended cooperative payments.

II. Dairy Price Support Program

The program which was started in February 1949 to support prices to producers for milk and butterfat at 90 percent of parity, as required by the Agricultural Act of 1948, continued through December 1949. On July 27, 1949, two additional steps were taken to strengthen the support program by offering to purchase American Cheddar cheese of U. S. Grade A or higher in carlots at 31.75 cents per pound, subject to adjustments for moisture content, and by making effective on that date the seasonal increase in the purchase price of butter which originally was scheduled to become effective on September 1.

The price support provisions of the Agricultural Act of 1949 became effective January 1, 1950, with respect to milk and butterfat. This Act requires the Secretary of Agriculture to support prices to producers for milk and butterfat, through loans on or purchases of dairy products, at such level between 75 and 90 percent of parity as is necessary to insure an adequate supply. In accordance with this requirement, the Department on December 22, 1949, announced a program to support prices to producers for manufacturing milk and butterfat from January 1950 through March 1951 at national average prices of approximately \$3.07 per hundred pounds for manufacturing milk of 3.95 percent butterfat (yearly average test) and approximately 60 cents per pound for butterfat. This was an extension, with some modifications, of the 1949 price support program for the next full marketing year. The support prices were equivalent to about 79 percent of the U. S. average parity equivalent price for manufacturing milk, and represented about the same dollars-and-cents levels as were supported under the 1949 price support program.

In carrying out the program, the Department offered to buy in carlots the following dairy products at the indicated prices f.o.b. any location in the United States:

<u>Product</u>	<u>Price</u>
Cheddar cheese, U. S. Grade A or higher	31 cents per lb.
Butter, U. S. Grade A or higher	60 cents per lb.
Butter, U. S. Grade B	58 cents per lb.
Nonfat dry milk solids, Spray, U. S. Extra Grade	12 $\frac{1}{2}$ cents per lb.
Nonfat dry milk solids, Roller, U. S. Extra Grade	10 $\frac{1}{2}$ cents per lb.
Evaporated milk	\$3.95 per case

The quantities of dairy products purchased under the price support program during the year, as well as the quantities disposed of and the beginning and ending stocks are shown in Table 2. Purchases by months are given in Table 3. Although purchases under the program during the year were equivalent to only a small percentage of total milk production, the principal dairy price support problem at the end of the year was the disposal of stocks acquired under the program. All products were available for sale during the year at prices which would not interfere with the program, but only limited quantities of butter and cheese were sold in domestic markets during the winter months of seasonally low production. Additional quantities of butter and nonfat dry milk solids were distributed for use in school lunches and other domestic distribution programs. Large quantities of nonfat dry milk solids were exported for use in foreign relief programs of the U. S. Army and the United Nations Children's Fund. With increased production of milk and dairy products in Europe and the principal exporting countries, however, export markets generally were less favorable than in the previous year. During the last few months of the year, dairy products were made available for donation to Government and welfare agencies in accordance with Section 416 of the Agricultural Act of 1949. Only limited quantities had been taken up to the end of the year, however, made up largely of nonfat dry milk solids for distribution to needy persons abroad. Stocks of dairy products available for disposition at the end of the year totalled 176 million pounds of butter, 70 million pounds of cheese, and 342 million pounds of nonfat dry milk solids.

III. School Lunch and Other Distribution

The Department purchased 6,400,000 pounds of nonfat dry milk solids, 261,091 pounds of natural Cheddar cheese, and 13,815,000 pounds of process American cheese for distribution primarily to school lunches. An additional 19,350,000 pounds of nonfat dry milk solids and 19,056,000 pounds of butter were transferred from CCC price support stocks and repackaged for distribution to school lunch programs and other outlets authorized to receive commodities under authority of Section 32, Public Law 320, 74th Congress, approved August 24, 1935, as amended. Milk and other dairy products also were purchased locally by schools with funds distributed to them in accordance with the provisions of the National School Lunch Act.

IV. Agricultural Supply Program

The Dairy Branch participated in the development of programs for the procurement of dairy products for export to European countries under financial aid received from the Economic Cooperation Administration and to areas under military occupation. A total of 800,835 cases of evaporated milk was purchased during the fiscal year ending June 30, 1950, for shipment to Greece. Requirements of other dairy products from the United States under these programs were made available from price support stocks rather than from direct purchases.

V. Foreign Assistance Programming

The Branch assembled and analyzed information on current and prospective supplies and price conditions for the various dairy products for use in ECA programs. During the year, approximately 10 million dollars was authorized by ECA for the procurement of dairy products originating in the United States.

Table 2.- Dairy products acquired by CCC under the Price Support Program: Available for disposal June 30, 1949, purchases July 1949 to June 30, 1950, disposals by type of outlet July 1, 1949 to June 30, 1950 and available for disposal June 30, 1950

	Butter	Cheddar cheese	Nonfat dry milk solids
	<u>Million pounds</u>		
Available June 30, 1949	7.9	--	125.2
Purchases	202.8	81.8	<u>1/</u> 457.6
<u>Disposals:</u>			
<u>Sales</u>			
Domestic trade	9.0	7.4	--
Negotiated exports	--	1.0	197.1
Section 32	19.1	--	19.3
Miscellaneous	.1	--	.2
Total sales	<u>28.2</u>	<u>8.4</u>	<u>216.6</u>
Donations (Section 416)			
Domestic	6.7	3.8	4.2
Foreign	.1	.1	20.5
Total donations	<u>6.8</u>	<u>3.9</u>	<u>24.7</u>
Total disposals	35.0	12.3	241.3
Available June 30, 1950	175.7	69.5	341.5

1/ Spray 3305.8
 Roller 151.8
457.6

1756

Table 3.- Price Support purchases dairy products during year ended June 30, 1950, by months

Month of Purchase Contract	Creamery butter	Cheddar cheese	Nonfat dry milk solids		
			Spray	Roller	Total
	Pounds	Pounds	Pounds	Pounds	Pounds
1949 July	2,347,933	---	20,633,162	18,202,563	38,835,725
August	50,681,009	4,781,952	4,298,492	5,266,535	9,365,028
September	21,757,856	8,005,344	41,435,060	24,038,270	65,473,330
October	14,722,602	7,657,759	22,224,926	8,380,443	30,605,369
November	5,532,067	2,637,867	16,954,566	7,608,660	24,563,226
December	11,282,517	8,443,183	20,648,526	10,631,277	31,279,803
<i>Preliminary - Dec 1949</i>	<i>106,322,984</i>	<i>31,526,105</i>	<i>126,174,732</i>	<i>74,127,748</i>	<i>200,522,481</i>
1950 January	--	88,001	17,052,615	7,293,298	24,345,913
February	104,431	--	18,215,308	7,048,115	25,263,423
March	8,396,139	752,846	29,322,324	13,818,970	43,141,294
April	18,285,053	6,954,226	29,341,863	15,255,867	44,597,730
May	25,714,622	18,627,068	38,336,623	17,835,745	56,172,368
June 1/	43,946,802	29,809,301	47,341,184	16,465,232	63,806,116
<i>Preliminary - June 1950</i>	<i>96,447,027</i>	<i>55,231,442</i>	<i>173,609,417</i>	<i>77,717,557</i>	<i>254,858,144</i>
Total	202,771,031	81,757,552	305,804,649	151,844,975	457,649,624

457,649,624

1/ Preliminary.

In accordance with the provisions of the Foreign Assistance Act of 1948, recommendations were developed regarding determinations required by the Secretary of Agriculture concerning "surplus agricultural commodities" and the use of ECA funds for the procurement of dairy products in countries other than the United States.

VI. Import Controls

The Branch participated in the administration of Public Law 155 which provided authority for restricting imports of certain fats and oils, including butter, and rice and rice products. Restrictions on imports of butter were necessary in order to facilitate the orderly liquidation of surplus items acquired under the price support programs.

VII. Dairy and Poultry Market News Division

New offices established: New dairy and poultry market news services were established during the year at Birmingham, Alabama; Fresno, California; Little Rock, Arkansas; and Louisville, Kentucky. In each of these cases, the expansion was under cooperative agreements with the respective States. The addition of these field offices brings the number now assembling and releasing local information to 32.

Five-Year Plan prepared: A directive from Congress in connection with the appropriation for 1949-50, led to the development of a five-year plan for all market news services. This plan outlines the proposed expansion during each of the years through 1954-55, indicating the order in which new services would be established, provided funds for so doing were made available. The proposed expansion contemplates increased State participation under Federal-State cooperative agreements, and if or when finally developed would provide market news reports on dairy and poultry products for practically every section of the United States. The estimated additional over-all costs of such increased service would approximate \$461,000. The net Federal costs would be reduced by the extent to which cooperating States participated financially in the projects.

New services developed: In addition to the establishment of new services at the offices mentioned above, existing services were expanded in numerous markets. Principal developments by offices are enumerated in the Appendix.

Terminology: The desirability of using official terminology was kept constantly before field office representatives during the year. This has been a difficult problem, due to careless use of terms by the trade, and adherence to terms which have become nondescriptive of actual conditions. Furthermore, the change to new official grade and class terminology is a slow process. Several offices issued special circulars during the year, which contained definitions of approved terms.

Field supervision: The first step in providing for increased field supervision was accomplished during the year, by formal approval of a Pacific

Coast supervisor. This assignment was given to the San Francisco office representative. Supervision of all other offices has continued to be handled by the Washington office. Every office issuing dairy and poultry market reports was visited at least once during the year by a Washington office representative. A number were visited several times, due to particular local problems that existed. The fact that during each of the last several fiscal years, new field offices have been established, has required an unusual amount of attention being given to them.

Personnel changes: The following technical personnel were added to the staff during the year: Mr. H. B. Clemmons, as assistant at Los Angeles; Mr. J. Mroz, as assistant at Seattle; and Mr. V. J. O'Connor, as agent (cooperative) at Fayetteville. New field men handling market news under general cooperative agreements, include Mr. Shelby Sevier, at Little Rock, Arkansas; Mr. R. O. Morgan at Louisville, Kentucky; and Mr. Benton Morgan at Birmingham, Alabama. Mr. Donald Lockhart was appointed in charge of the cooperative market news-research project at Fresno, California.

A number of the technical men added to the staff in the past few years have no Civil Service status, since no Civil Service registers for dairy and poultry market reporters have been available. During the current year, material required has been furnished to the Civil Service Commission for use in preparing for an examination which is expected to be announced shortly. Field men concerned will take the examination in order to obtain permanent status.

State cooperation: The Market News Division is cooperating actively with State agencies in 15 States; namely, Alabama, Arkansas, California, Delaware, Iowa, Kentucky, Maryland, Michigan, Mississippi, New York, North Carolina, Ohio, Virginia, Washington, and Wisconsin. Over-all cooperative market agreements are in operation with several additional States, whereby market news assembled by the Division is disseminated through State outlets. Cooperative agreements have made it possible to develop market news in markets and areas where such would otherwise have been impossible, since in each instance the State contributes to the cost of within-State projects.

Industry meetings: Insofar as time and funds permit, it has been the policy to have members of the staff attend the more important industry meetings which are held from time to time. Attendance of market news representatives at conferences and meetings held by producers, dealers, college people, and other groups, affords unusual opportunities to explain the purposes of market news, to explain the procedure followed, and to sense industry needs and industry reaction to the service.

Mailing lists: The number of names on mailing lists to receive dairy and poultry market reports is approximately 45,000. Table 4 shows the distribution by field offices. A total of 12 million separate reports were mailed during the year.

Following the annual circularization of mailing lists in February, a new mailing zone system became effective, and as required, names on individual office lists were transferred to the office from which promptest mail

DAIRY AND POULTRY MARKET NEWS SERVICE

Table 4 - Number of Names on Dairy and Poultry Market News Mailing Lists

Office	Daily Market Report	Daily Live Poultry Report	Daily Turkey Market Report	Weekly Dairy Review	Weekly Egg and Poultry Review	Weekly Milk and Cream Report	Monthly and Annual Milk and Cream Report	Monthly and Annual Live Poultry Report	Monthly and Annual Receipts	Monthly Cold Storage Report	Monthly and Annual Shipments from Pacific Coast	Monthly West Bound Shipments	Monthly Dairy Review and Supplement	Monthly Egg and Poultry Review and Supplement	Annual Dairy and Poultry Market Statistics
Atlanta	2,127	-	-	-	-	-	-	-	1,338	285	-	-	-	-	-
Baltimore	285	-	-	-	-	-	-	-	(1) 285	520	-	-	-	-	-
Boston	3,367	-	503	-	996	427	427	-	525	2,410	-	-	-	-	-
Chicago	5,933	-	958	2,650	1,884	-	-	-	2,907	341	-	-	-	-	-
Cincinnati	977	-	-	-	-	-	-	-	330	128	-	-	-	-	-
Cleveland	820	-	115	-	-	-	-	-	119	-	-	-	-	-	-
Columbus	245	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Denver	173	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Des Moines	241	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Detroit	802	-	463	-	-	-	-	-	271	-	-	-	-	-	-
Fayetteville	1,296	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fresno	1,447	-	-	-	-	-	-	-	-	450	-	-	-	-	-
Jackson	496	-	-	-	-	-	-	-	-	992	992	-	-	-	-
Los Angeles	6,414	-	-	-	1,629	-	-	-	1,605	-	-	-	-	-	-
Madison	369	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Montgomery	329	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New Orleans	350	-	-	-	-	-	-	-	-	-	-	-	-	-	-
New York	3,657	3,200	1,043	1,640	-	976	976	3,006	(1) 350	1,421	-	-	-	-	-
Philadelphia	2,295	-	907	-	1,819	550	550	-	1,420	945	-	-	-	-	-
Pittsburgh	344	-	-	-	-	-	-	-	343	-	-	-	-	-	-
Portland	765	-	275	294	392	-	-	-	-	391	-	-	-	-	-
Raleigh	346	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Salisbury	1,014	-	-	-	-	-	-	-	-	-	-	-	-	-	-
St. Louis	401	-	-	-	-	-	-	-	-	-	-	-	-	-	-
San Francisco	3,948	-	-	599	1,092	-	-	-	501	711	492	488	-	-	-
Seattle	1,245	-	189	174	440	-	-	-	-	361	-	-	5,618	5,534	6,300
Washington, D. C.	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total - 1950	38,646	3,200	4,153	5,357	8,232	1,947	1,953	3,006	9,994	8,955	1,434	1,480	5,618	5,534	6,300
Total - 1949	29,996	2,383	3,821	5,138	7,637	1,842	1,842	2,383	5,576	8,162	1,445	3/	4,522	4,926	6,500

1/ Monthly report only.

2/ Semi-weekly report.

3/ Not available.

service appeared likely. An unfortunate result of this was to greatly increase lists at some offices where there is limited personnel.

Revision of reports: Establishment of new offices results in an increased amount of information being made available, and inevitably leads to the problem of space on printed reports. One way of meeting the situation has been to change the style of reports, and such was accomplished at several offices. A distinguishing characteristic of dairy and poultry reports in the past has been comparative price tables for different key markets. While these tables were convenient for purposes of ready comparison, they were not essential. By limiting price tables to current information for the local market only, and carrying outside market prices in paragraph (news-paper style) form, material savings of space were effected. The general appearance of mimeographed reports has been improved through better arrangement of material, and more attention to details of stencil cutting and mechanical operations in printing. Material savings of costs for paper and mimeographing were effected by reducing the monthly reviews issued in Washington from four to two pages. The type of market information assembled at each office is shown in Table 5.

Market news conference: An outstanding event at the close of the year was the National Conference of market news field men held at Chicago, May 27 - 29, 1950. This was the first conference of this nature held since 1927. The Chicago meeting was attended by all field men engaged in market news work with the exception of those on the Pacific Coast who are assistants to the officer-in-charge. Thus, there was an opportunity for the first time for the men to meet each other, as well as Branch and PMA officials from Washington who were also in attendance. The meeting was of value from that standpoint alone, but was of greater importance because it focused attention upon over-all objectives and policies, and afforded opportunity to discuss problems of common concern, and various means by which these problems were being attacked in different offices. Everyone returned to his official station with renewed interest, a better understanding of the reasons for existing policies and procedure, and a broader vision as to market news objectives.

VIII. Standardization

The increased demand for high quality dairy products has developed greater interest in the dairy industry in grading and quality improvement work. Added emphasis has, therefore, been placed on the development of quality standards for grades of milk and milk products.

United States Department of Agriculture Sediment Standards for Milk and Milk Products have been promulgated. These provide the Department with Official Standards and make available to the dairy industry a uniform yardstick for measuring sediment in milk and milk products. These standards have been distributed to the dairy departments of our State colleges and to our State control officials. They will be used for judging sediment in milk at the 1950 Collegiate Students' International Contest in Judging Dairy Products.

DAIRY AND POULTRY MARKET DATA SERVICE

Table 6 - Types of Market Information Assembled

Offices	Prices	Receipts	Storage stocks	Street stocks	Retail sales	Carlot shipments from Pacific Coast	Carlot shipments West Bound
Atlanta	1 4 9 13 2 6 12	1 9 12 2 13	1 9 13 2 10				
Baltimore	9 14 12	1 9					
Birmingham	9 12						
Boston	1 4 6 9 13 2 5 7 12 14 15	1 4 10 2 5 12 1 9 13 2 10 15	1 9 13 2 10	1 9			
Chicago	1 7 13 2 12 15	1 9 12 2 10 15	1 9 13 2 10	1 9	1 9		
Cincinnati	9 14 12	1 9 12 2 10 15	1 9 13 2 10				
Cleveland	1 9 14 4 12 15	1 9 12 2 10 13	1 10 2 13				
Columbus	1 12 14 9 13						
Denver	9 12		1 9 13 2 10				
Des Moines	9 12						
Detroit	1 9 14 2 12 15	1 9 12 2 10 15	1 9 13 2 10				
Dover	12						
Evansville	12						
North Worth	9 14 12		1 9 13 2 10				
Fresno	1 12 15 9 14						
Harrisonburg	14 12						
Jackson	9 12						
Little Rock	9 12						
Los Angeles	1 9 13 15 2 12 14 16	1 9 2 13	1 9 13 2 10		1 9		
Louisville	9 14 12						
Madison	6 12						
Montgomery	12 9						
New Orleans	9 12	9 13 12					
New York	1 4 11 15 2 6 8 12	1 4 10 2 5 12	1 9 13 2 10	1 9			
Philadelphia	1 5 9 14 2 6 12 15 4 7 13	1 4 10 2 5 12 3 9 13	1 9 13 2 10	1 9			
Pittsburgh	9		1 9 13 2 10				
Portland	1 9 13 15 2 12 14	1 9 2	1 9 13 2				
Raleigh	9 14 12						
Salisbury	12						
St. Louis	1 12 15 9 14	1 9 12 2 10 13	1 9 13 2 10				
San Francisco	1 6 9 14 2 7 12 15 5 8 13 16	1 9 13 2 12	1 9 13 2 10		1 9	9	1 9 2 13
Seattle	1 5 9 13 15 2 6 12 14	13	1 9 13 2 10				
Washington, D.C.			1 9 13 2 10				

CODE

1. Butter
2. Cheese
3. Fluid Milk
4. Sweet Cream
5. Condensed & Evaporated Milk
6. Dry Milk
7. Dried Whey
8. Casein
9. Shell Eggs
10. Frozen Eggs
11. Dried Eggs
12. Live Poultry
13. Dressed Poultry
14. Live Turkeys
15. Dressed Turkeys
16. Live and Dressed Rabbits

The literature reporting technical research and other information relating to the quality of cream for buttermaking has been reviewed. This information will be released to the industry.

A study and tabulation has been made of the grades of cream now being used in the various States.

A preliminary draft of Tentative U. S. Standards for Grades of Cream for Use in the Manufacture of Butter has been prepared and submitted to the Dairy Departments of State colleges, State departments of agriculture, and to representatives of the industry for comment and suggestions.

A disc method for determining sediment in roller process nonfat dry milk solids by filtration has been developed. This test will enable the industry to determine the sediment content of roller process nonfat dry milk solids by filtration through a lintine filter disc. The method is not only more accurate, but it requires less time than the tumbler method now used in determining sediment in this product. A publication describing the method and its advantages has been prepared for distribution to members of the industry. It was presented at the annual meeting of the American Dairy Science Association and will be submitted to the Journal of that Association for publication. In cooperation with the American Dry Milk Institute, a study has been planned to determine the feasibility of using this test in plant laboratories and for grading purposes.

The literature reporting technical research and other information relating to the quality of nonfat dry milk solids and dried whole milk has been reviewed and abstracted.

The grading results of 9,082 samples, representing approximately 4,300 carlots, of nonfat dry milk solids and 1,174 samples, representing approximately 453 carlots of dried whole milk have been analyzed, summarized, and released to the industry.

Standards for nonfat dry milk solids and dried whole milk have been formulated. These standards have been discussed with the Standards and Quality Committees of the American Dry Milk Institute.

The tentative U. S. Standards for Grades of American Cheddar cheese have been revised to formulate Official U. S. Standards for Grades of American Cheese. The latter includes types known as Cheddar cheese and stirred-curd cheese. These Standards have been revised in accordance with the recommendations obtained from meeting with the Quality and Standards Committees of the National Cheese Institute and through discussions with members of the cheese industry. They have been submitted as a proposed rule making for publication in the Federal Register.

The revised edition of the Preliminary Draft of Tentative U. S. Standards for Grades of Milk for Use in the Manufacture of Dairy Products has been reviewed and commented upon by representatives of the dairy departments of State colleges, State departments of agriculture, and representatives of

the dairy industry. These standards have been discussed with the Quality and Standards Committees of the National Cheese Institute, American Dry Milk Institute, and the International Association of Ice Cream Manufacturers. A revision based on the comments received is being prepared for publication in the Federal Register as a proposed rule making.

Information is being assembled to show whether or not the present butter grades should be revised.

Assistance has been given in the preparation of Federal Specifications for fresh cream, fresh milk, sterilized cream, ice cream, sweetened condensed milk, and American cheese.

IX. Inspection and Grading of Dairy and Poultry Products

Activities of the Dairy and Poultry Inspection and Grading Division were stepped up considerably during the year. This increase was due to several factors. First was the continuance of price support activities in the dairy products field on butter, cheese, and nonfat dry milk solids. Heavy purchases of butter under price support programs resulted in sharp increases in volume of product graded. While Cheddar cheese purchases showed some increase, the step up was not so large as in the case of butter, but the volume of product graded was considerable. Utilization of the service for commercial purposes also showed increases over the previous fiscal year, and it is anticipated that this trend will continue during the present fiscal year.

The continued heavy purchase of nonfat dry milk solids, together with examination of nonfat dry milk solids and dried eggs which were previously purchased and stored, created an exceedingly heavy workload for the Chicago Laboratory. In connection with operations of plants manufacturing process cheese under continuous supervision, plant laboratory facilities are being supervised by representatives of our Chicago Laboratory. It is anticipated that this phase of our supervisory activities will become an important factor in developing more uniform methods of analysis and will result in a closer adherence to manufacturing standards. Analysis of evaporated and sweetened condensed milk by our Chicago Laboratory has continued to show a decline over previous years.

In connection with poultry grading activities, volume of product handled was affected directly by price support programs on turkeys. Increased quantities of this product were examined in anticipation of Government purchases which required determination of grade prior to acceptance. The grading of shell eggs on the Chicago Mercantile Exchange has continued quite heavy. The new regulations promulgated on January 1, 1950, relating to the inspection and grading of dressed poultry and domestic rabbits, resulted in extended activities in the surveying of plants interested in this program. These plant surveys have been carried out primarily by the area and Statesupervisory staff. While only a limited number of these plants are presently approved, it is anticipated that a considerable number will be in the program as blue prints and other related survey material is received and approved.

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